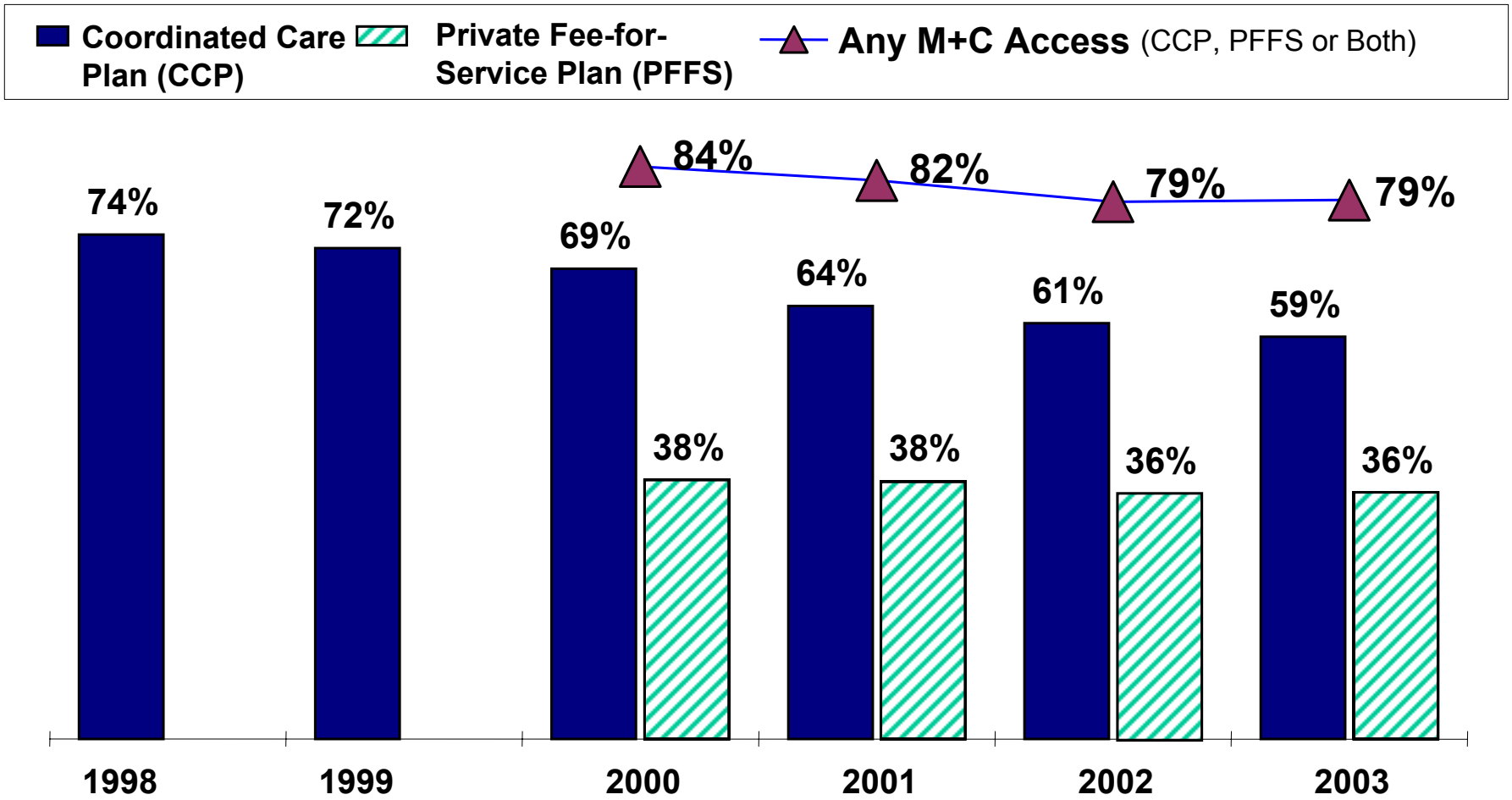
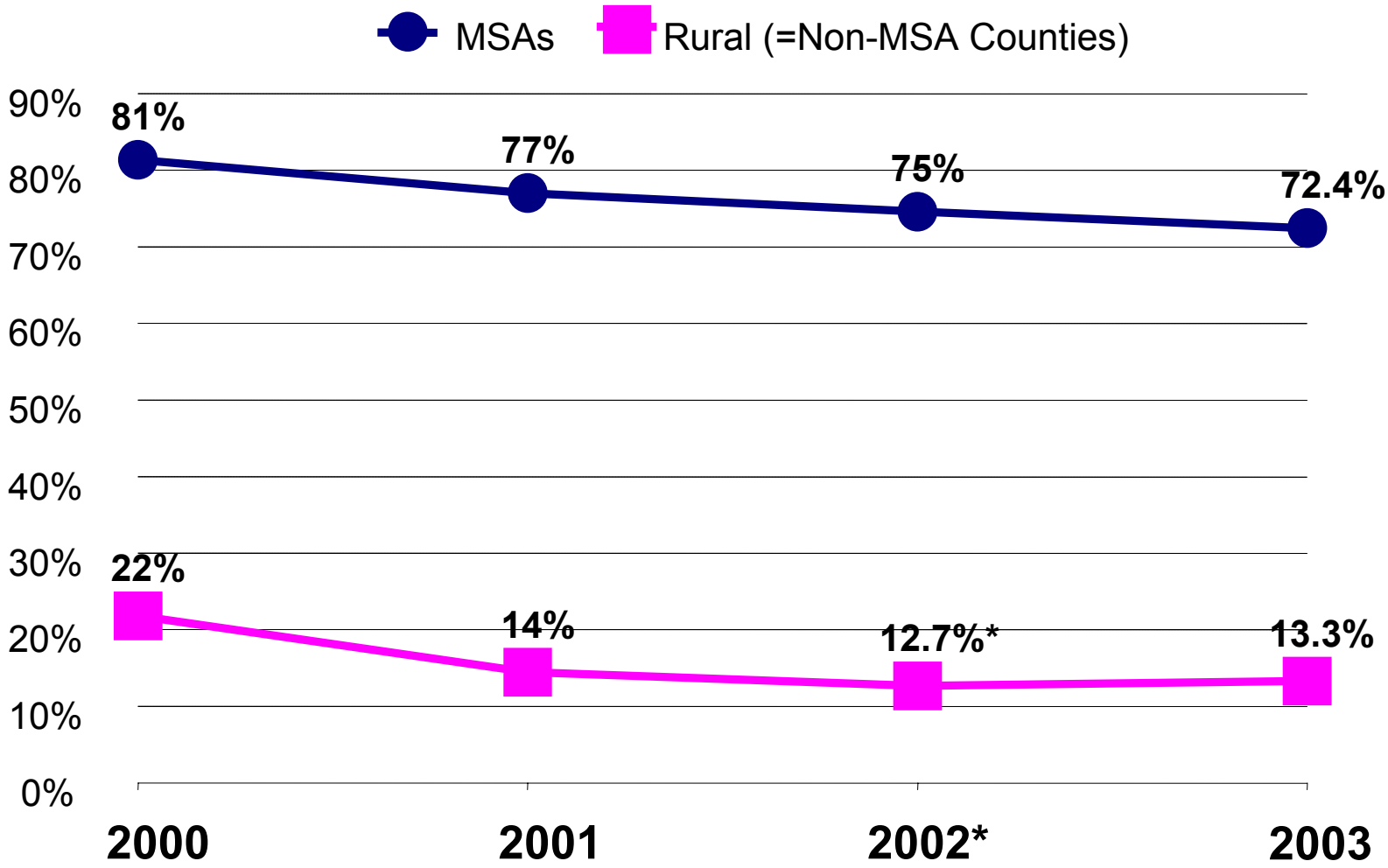
Private Health Plan Access, Premiums, Benefits and Cost Sharing as of February 2003

M+C Access by Percent of Total Medicare Population, 1998-2003



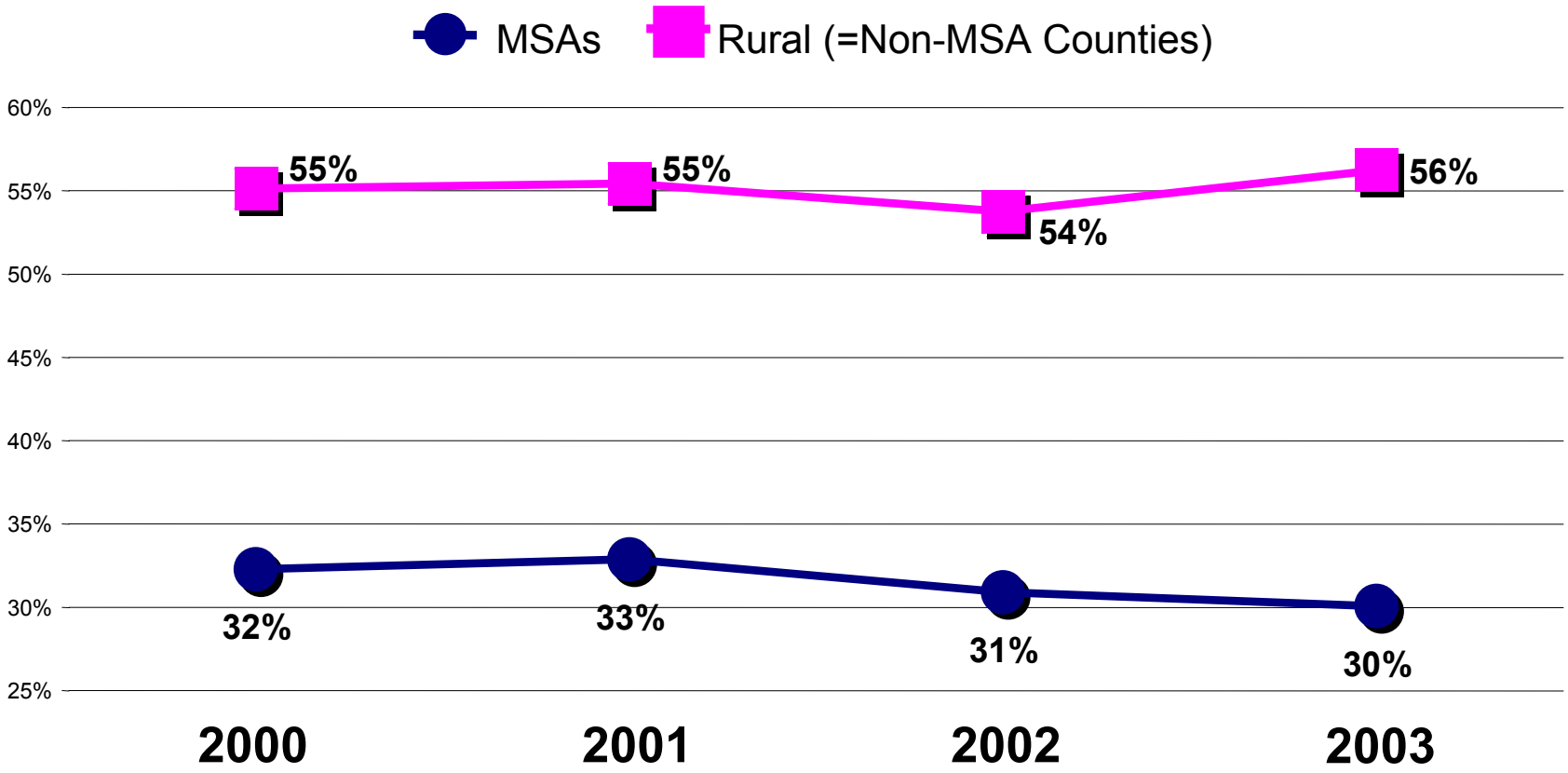
NOTE: CCP plans, as defined in the Balanced Budget Act of 1997, are Medicare+Choice network plans such as HMOs and PPOs. PFFS plans are plans that provide fee-for-service reimbursement to any provider an enrollee uses if the provider accepts the plan's terms and conditions of payment.

Percent of Total Medicare Population with Access to M+C Coordinated Care Plans, Rural and Urban Counties, 2000 to 2003



*Data as of March 2002. Because of approvals during the year, at the end of 2002, rural access increased to 14%. However, there was no change in rural access to zero premium plans or drug coverage.

Percent of Total Medicare Population with Access to M+C Private Fee-for-Service Plans, Rural and Urban Counties, 2000 to 2003



Access Through Other Options in 2003

	M+C Payment Demonstration*	PPO Demonstration[1]	Cost Plans That Are Open for Enrollment
Percent of Medicare Population with Access to This Option	**2.7%**	**22.5%**	**7.5%**
Percent of Medicare Population with Access to This Option But No CCP Plans Available	**1.1%**	**1.17%**	**4.0%**
Population Proportion That Is Urban	96%	87%	55%
Proportion Rural	4%	13%	45%
Percent of Medicare Population with Access to This Option That Also Have Access to PFFS Plan	**0.93%**	**0.49%**	**2.9%**
Proportion Urban	98%	91%	50%
Proportion Rural	2%	9%	50%
Percent of Medicare Population with Only This Option (No CCP, No PFFS)*	**0.16%**	**0.69%**	**1.1%**
Proportion Urban	100%	100%	70%
Proportion Rural	0%	0%	30%

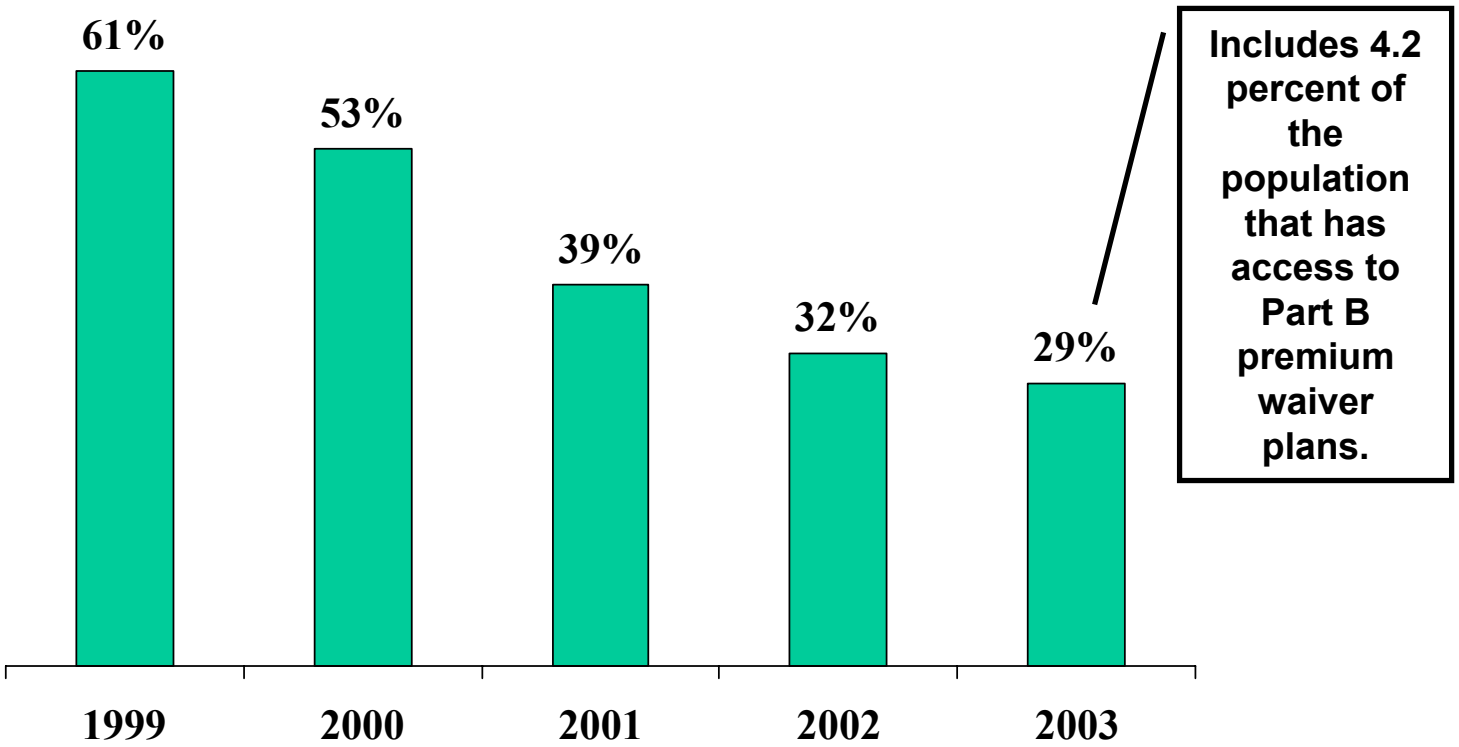
EMPLOYER/UNION-GROUP ONLY ACCESS DATA

There are slightly over one million beneficiaries residing in counties in which CCP organizations are available ONLY to Medicare beneficiaries enrolled through their former employer or union, and there are no CCP options for individual Medicare beneficiaries. These group-only counties represent 2.4% of the total Medicare population, with the majority (54%) in non-MSA counties. Though there are no CCP plans available, nearly 700,000 of the one million resident beneficiaries in those counties have access to a private fee-for-service plan (64% of the 700,000 are residents of non-MSA counties).

*The M+C payment demonstrations began in 2002 for certain plans that were previously M+C coordinated care plans. The demonstration provides for alternative payment methods and alternative plan designs for the participating plans, some of which would have otherwise left the M+C program in the absence of the alternative payment.

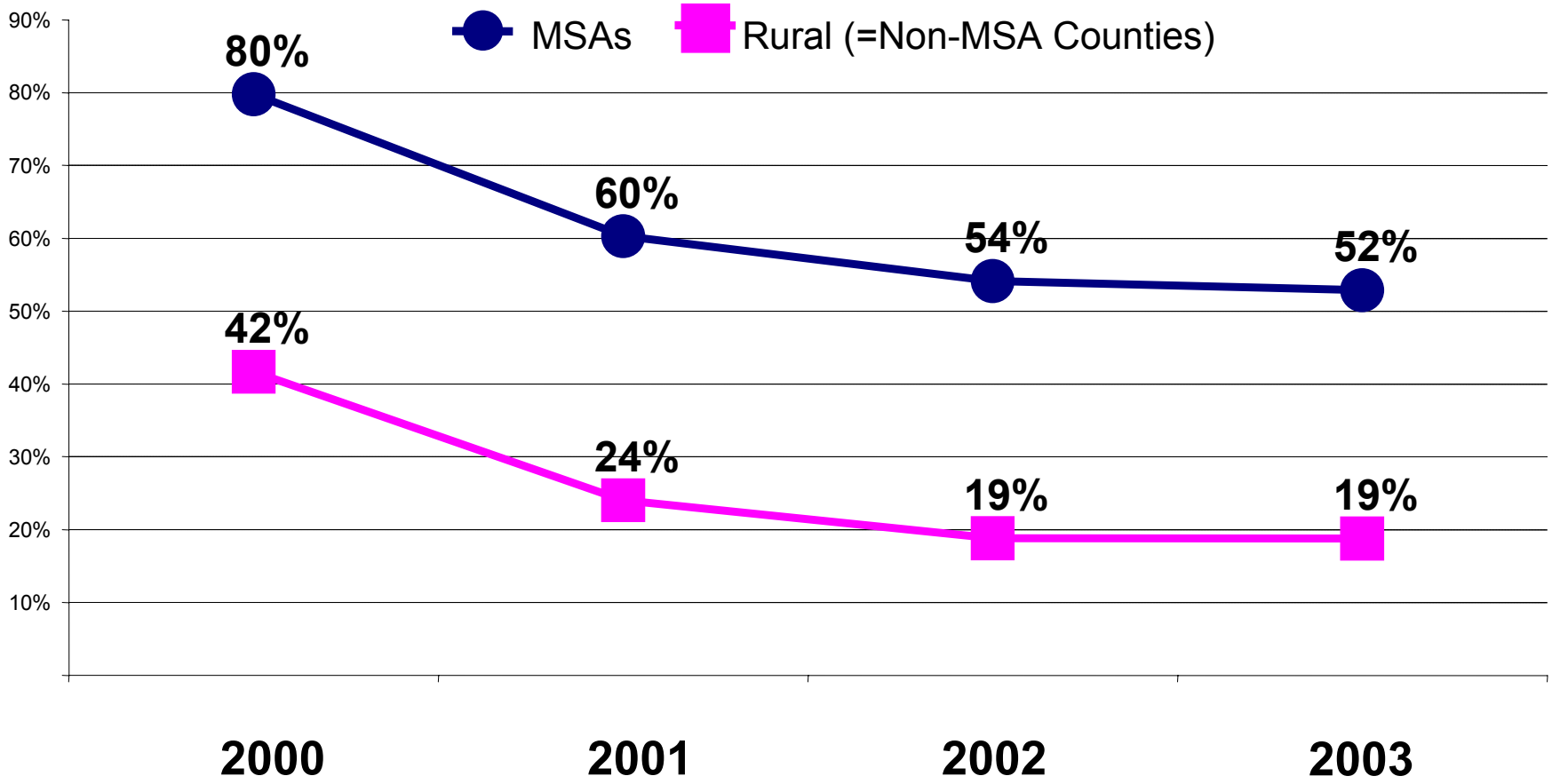
[1]Includes only PPOs approved as of 1/1/2003.

Percent of Total Medicare Population with Access to Zero Premium or Part B Premium Waiver M+C CCP Plans, 1999-2003



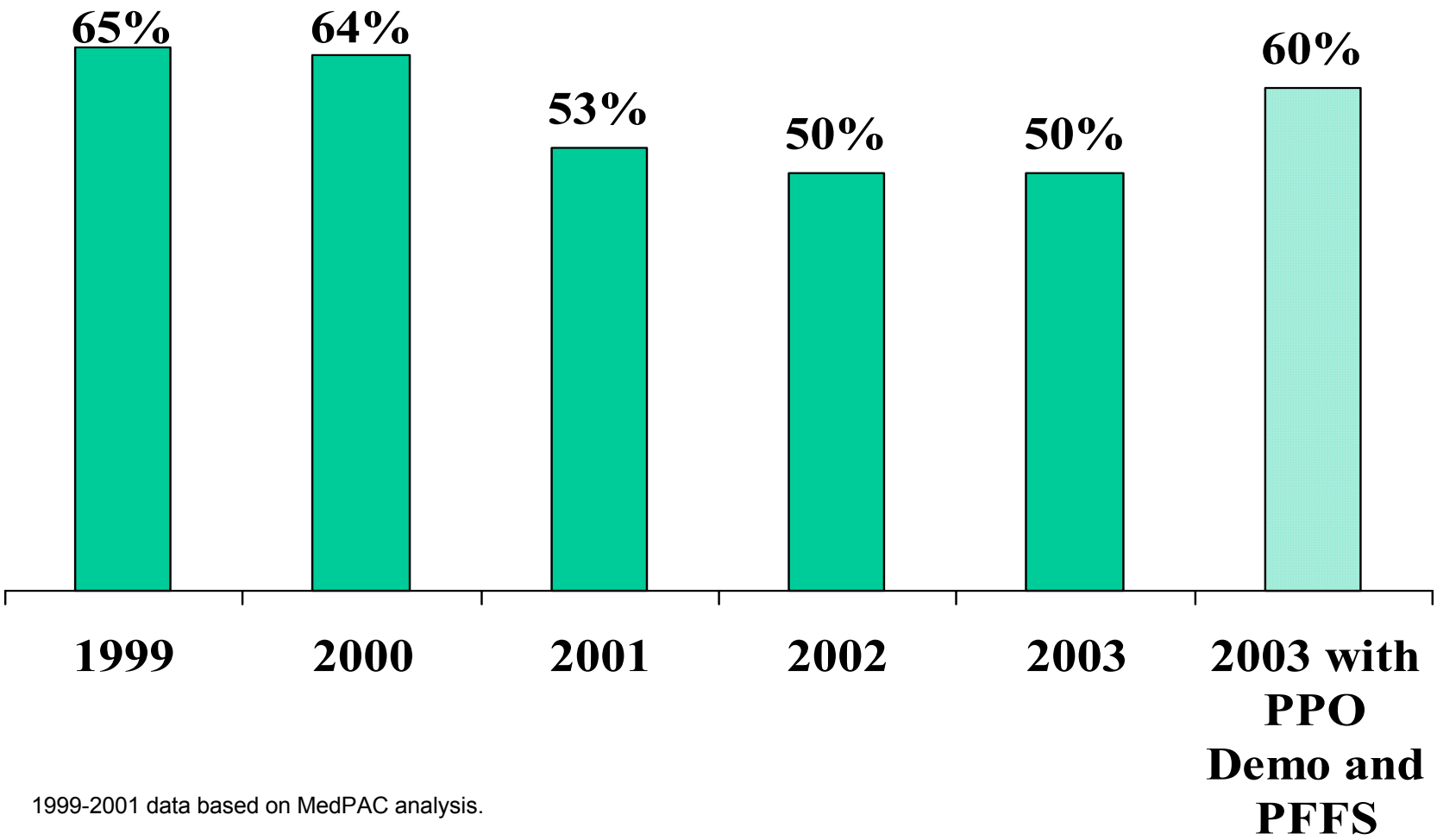
NOTE: Enrollees of Part B premium waiver plans pay no M+C premium and have some or all of their Medicare Part B premium (currently $58.70 per month) reduced. Such plans are newly available in 2003. There are two counties, Miami-Dade and Broward, in Florida (with 1.4% of the total Medicare population), where beneficiaries can enroll in a plan waiving the entire $58.70 amount. Partial waivers are available in Hillsborough County, Florida, and in five counties in the New York City area.

Access to M+C Coordinated Care Plans with Zero Premium*, Rural and Urban Counties, Among Beneficiaries with Any M+C CCP Access, 2000 to 2003



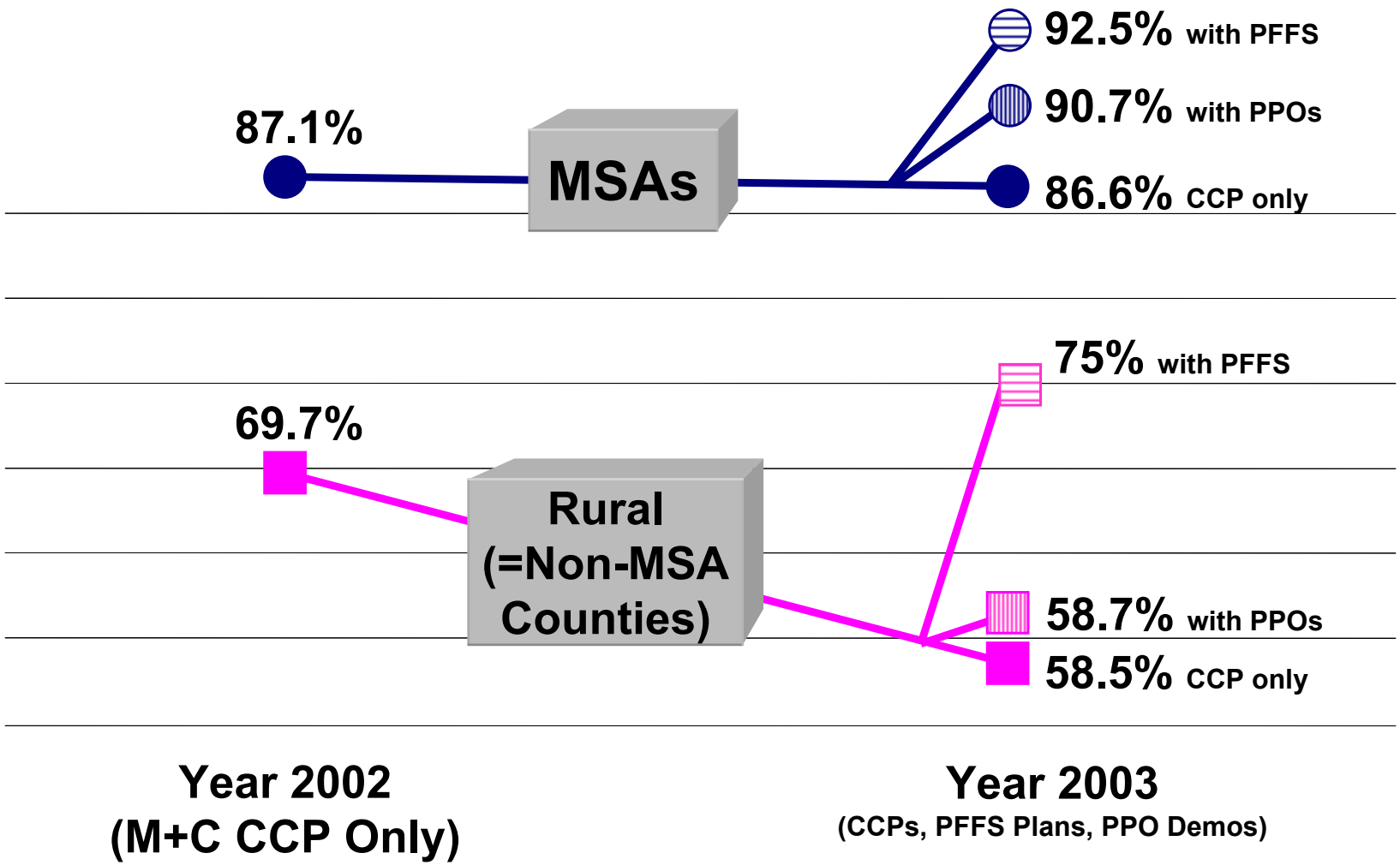
*Includes Part B premium waiver plans (available as of 2003). No such plans available in rural counties. 7.6% of beneficiaries in MSAs with access to CCP plans have access to Part B premium waiver plans.

Percent of Total Medicare Population in US with Access to Any Plan with Drug Coverage, CCPs 1999 to 2003, All in 2003

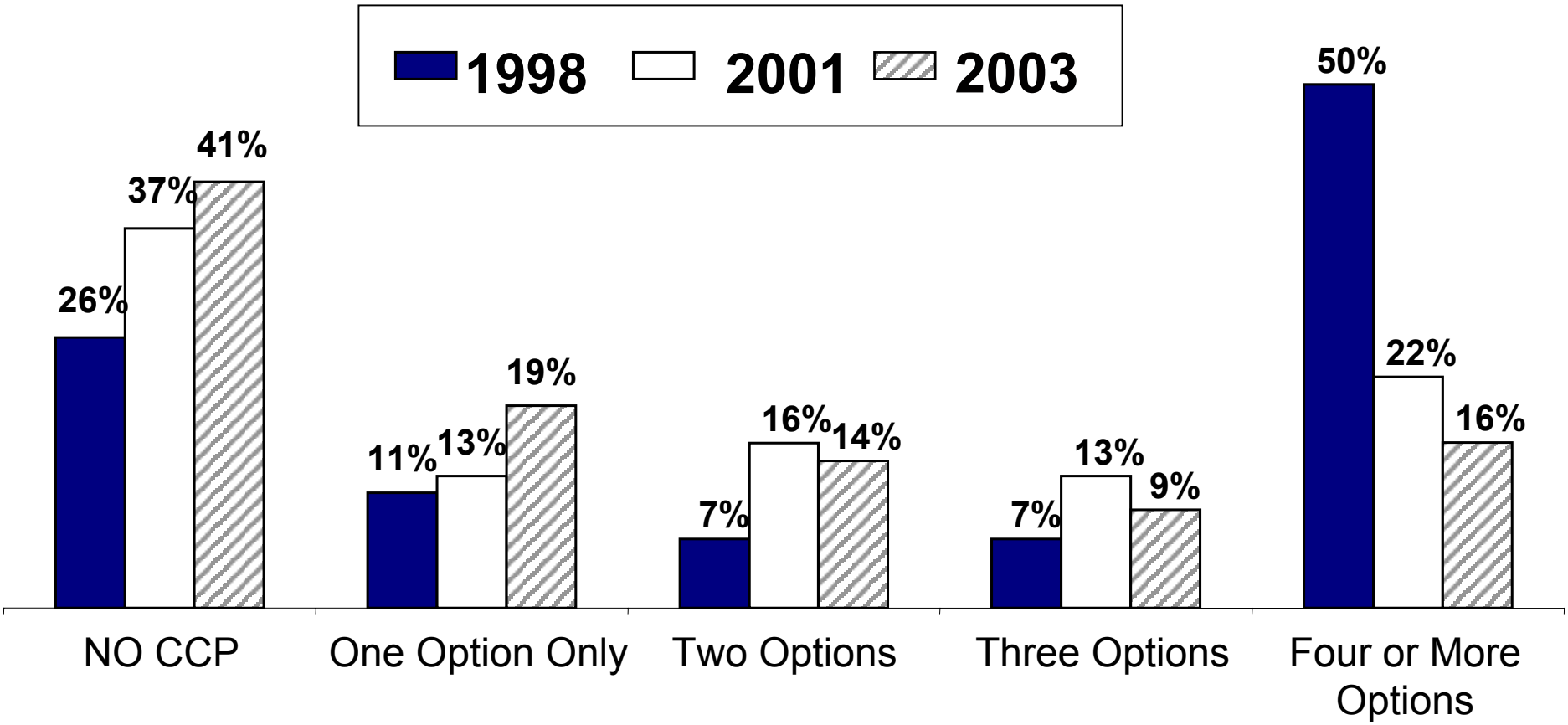


1999-2001 data based on MedPAC analysis.

Access to Plans with Any Type of Drug Coverage Available, Rural and Urban Counties, Among Medicare Population with M+C CCP Access in 2002, CCP and Other Access, 2003

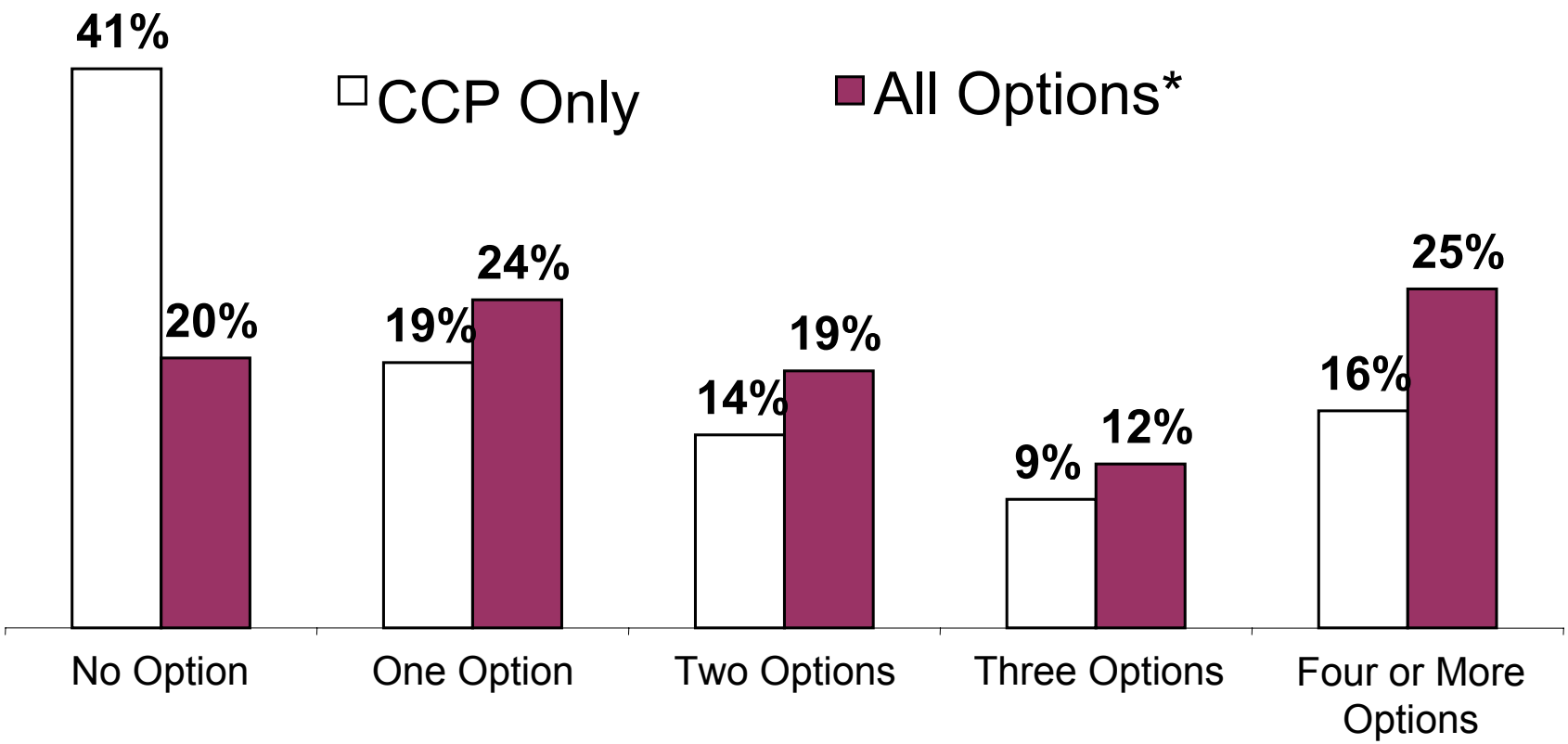


Number of Available M+C CCP Organizations, 1998, 2001, 2003, by Percent of Total Medicare Population



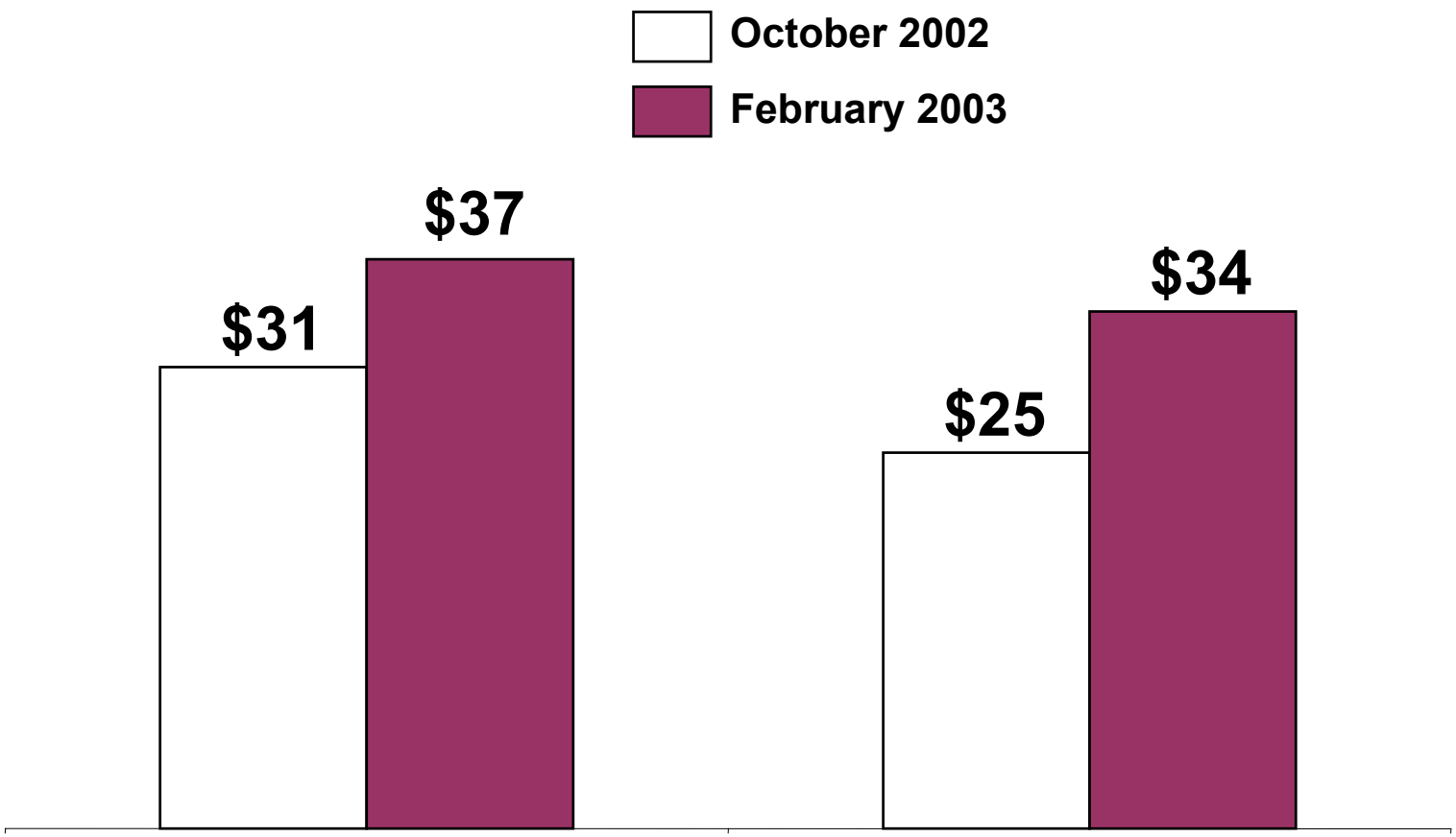
Note: 9/2002 population numbers used for all years.

Number of Available Health Plan Organizations, CCP and Others, 2003, by Percent of Total Medicare Population

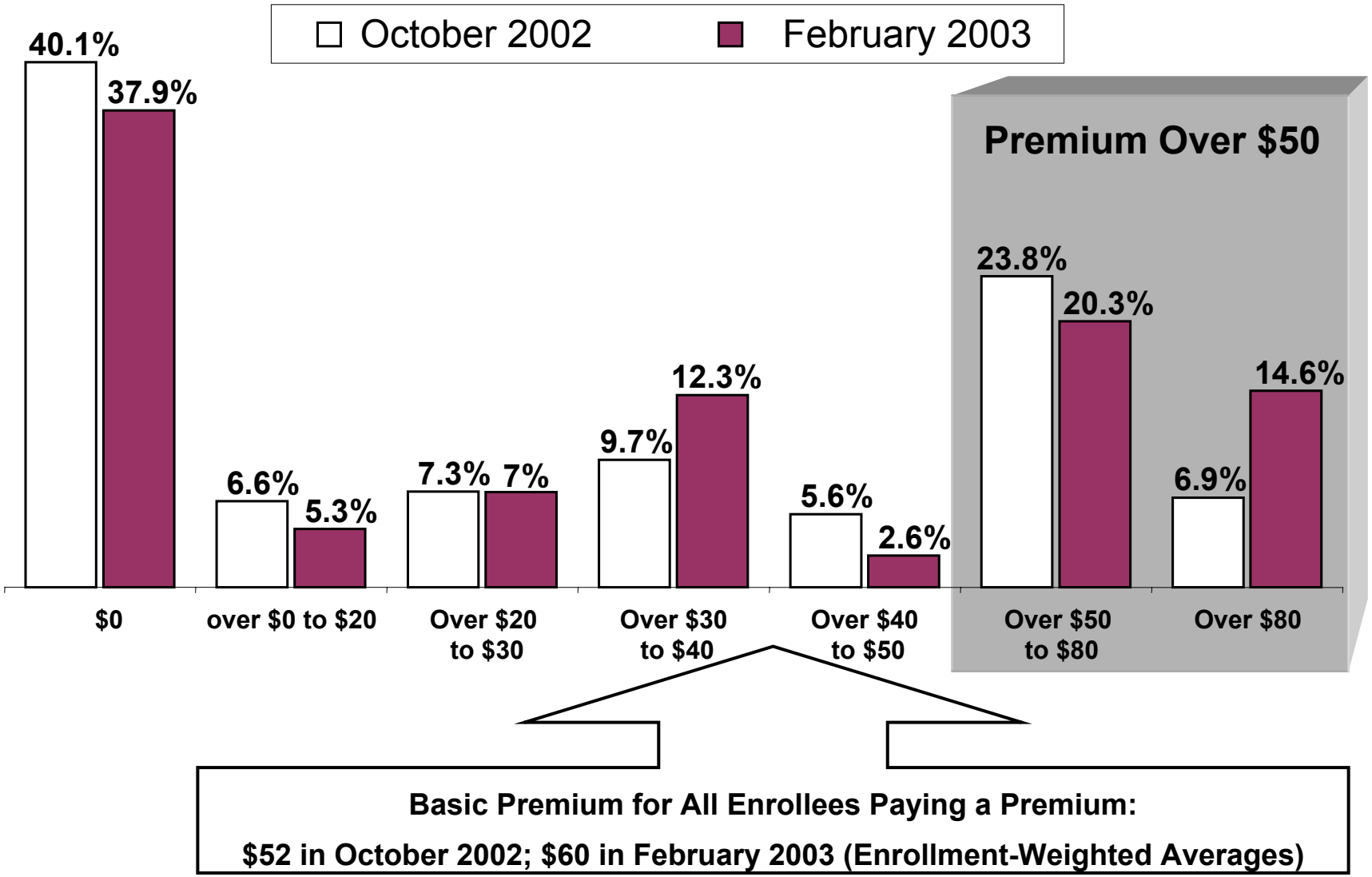


*Category "all options" includes CCP, PFFS, M+C alternative payment demonstrations, PPO demonstrations, and cost plans open for enrollment.

Average Monthly Premiums and Average Monthly Cost Sharing for Medicare-Covered Services, M+C CCP Plans, 2002-2003, Weighted by Enrollment



Basic Premium Ranges By Percent of Enrollees, M+C CCP Plans 2002 and 2003

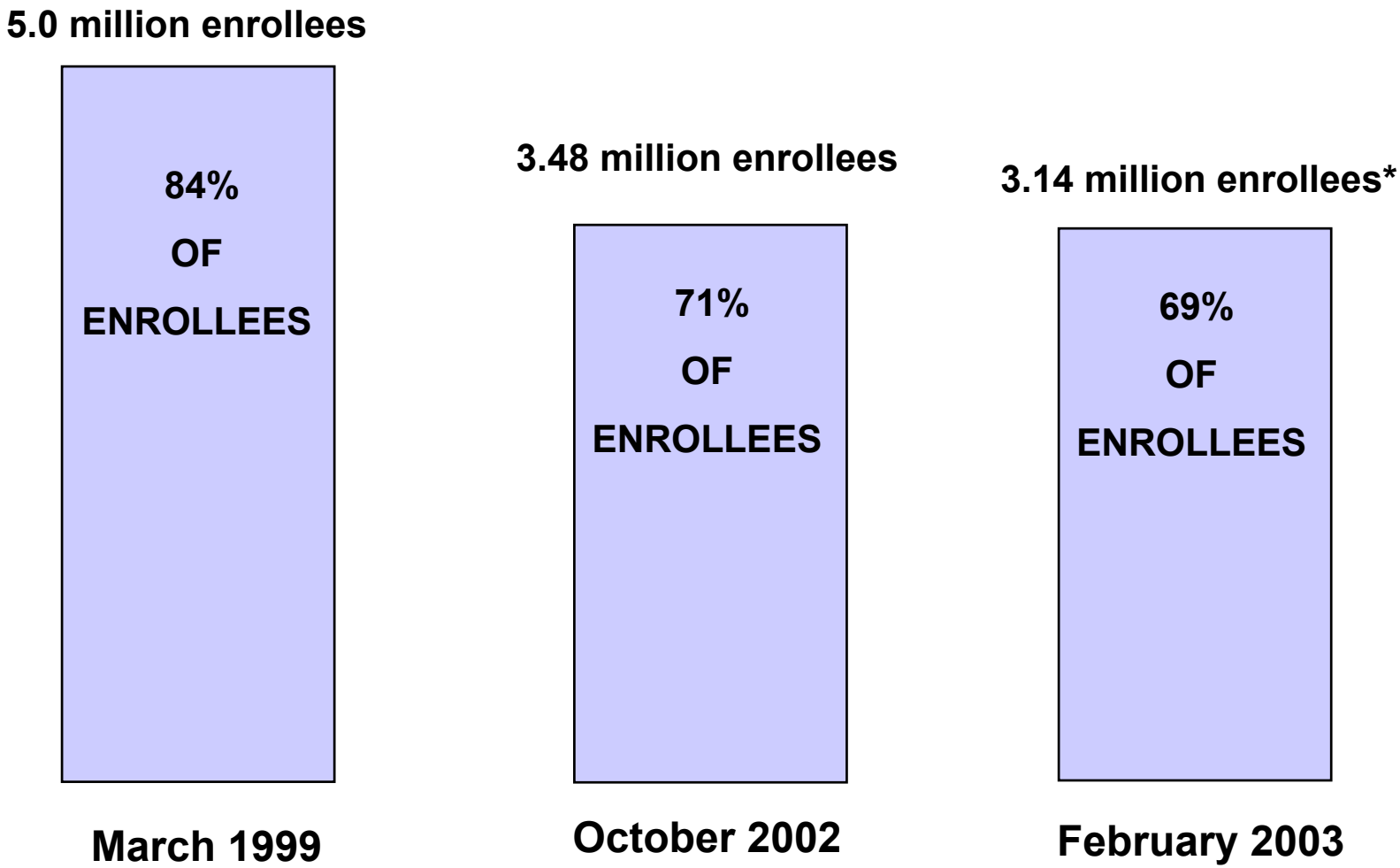


Average Monthly Cost Sharing for Medicare-Covered Services, M+C CCP Plans, Zero Premium Basic Plans Versus Non-Zero Basic Plans, 2002-2003, Weighted by Enrollment

Basic Plans Charging a Premium

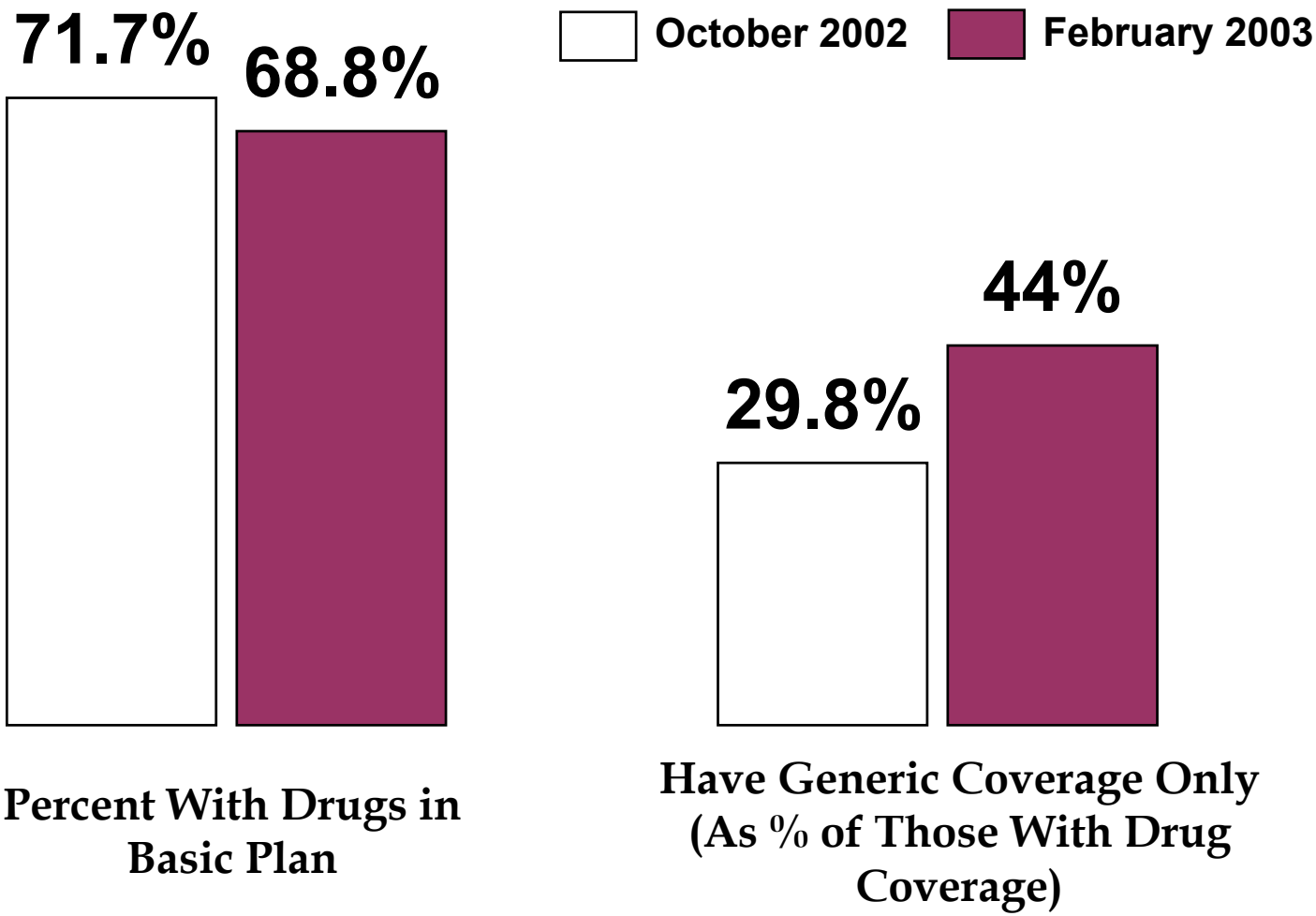
Basic Plans with Zero Premium or Part B Premium Waiver

Number and Percent of M+C CCP Enrollees with Drug Coverage in Basic Plan, 1999, 2002, and 2003

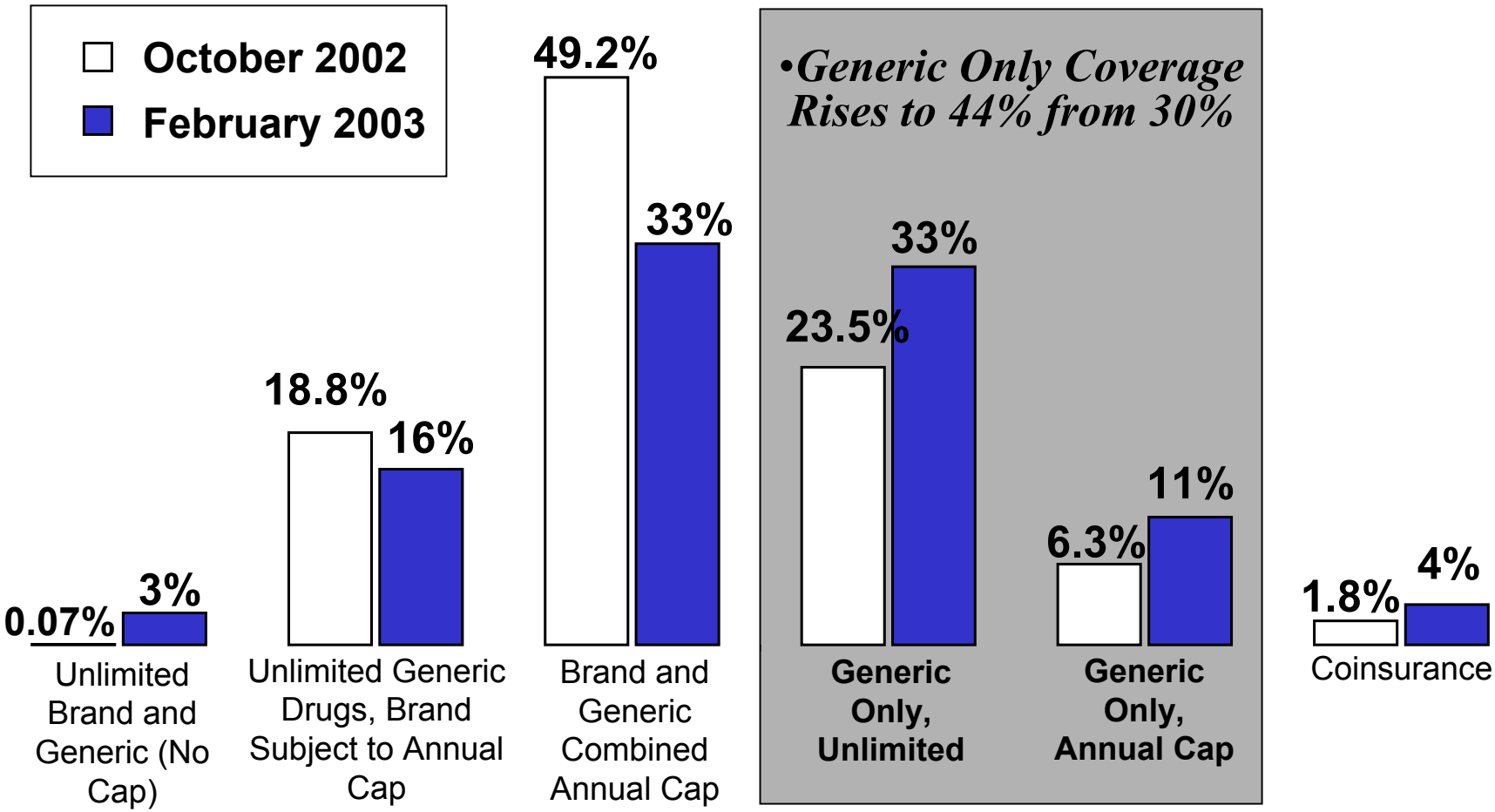


*Does not include enrollees of PPO demonstration plans. As of February 2003, an additional 53,000 beneficiaries have drug coverage through a PPO demonstration plan.

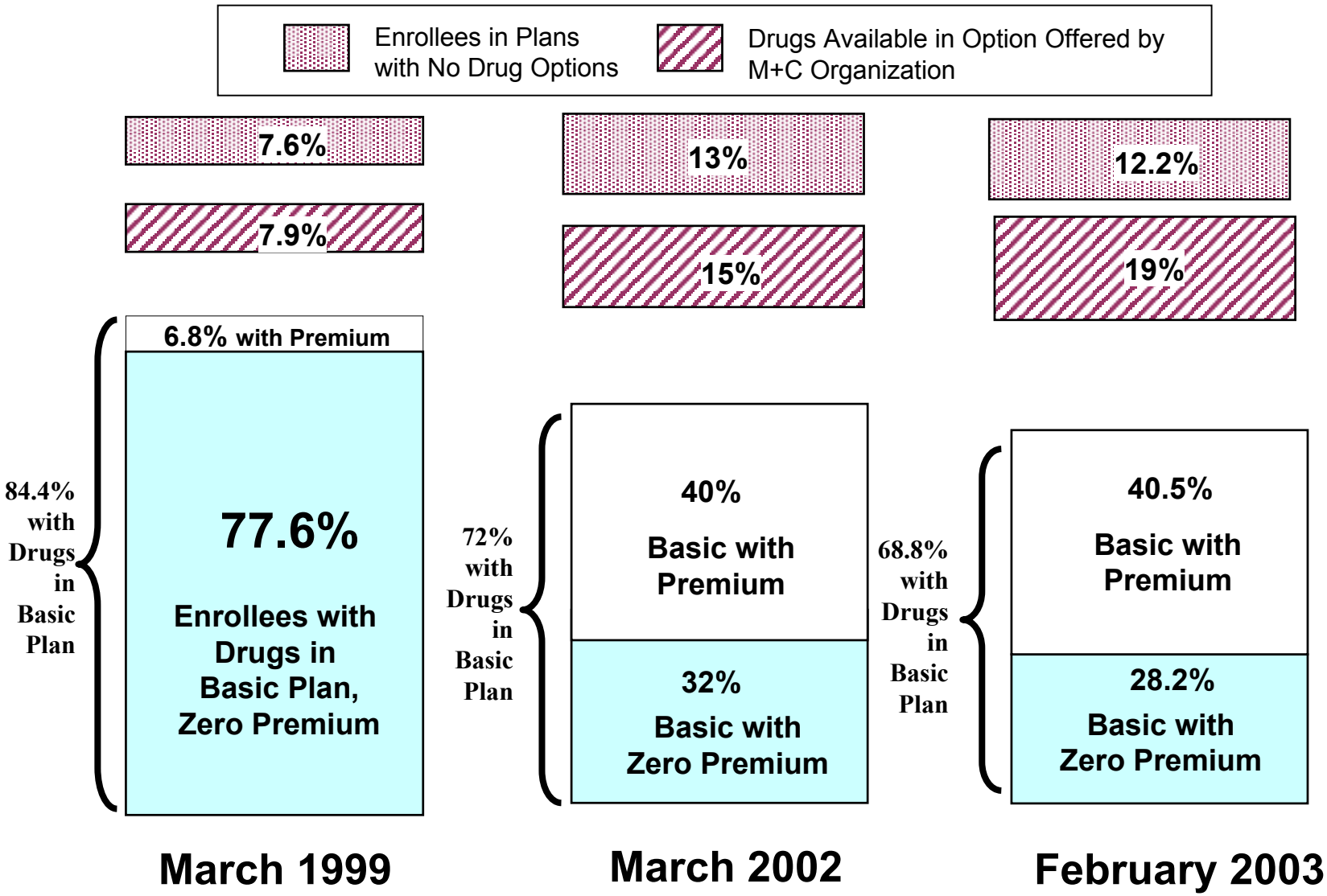
Extent and Type of Drug Coverage, M+C CCP Basic Plans, By Percent of Enrollment, 2002 and 2003



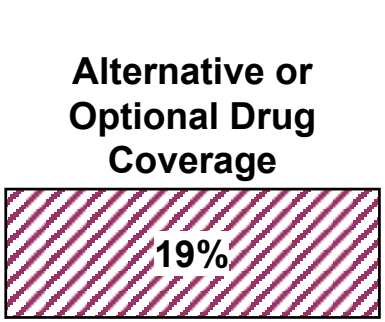
Type of Drug Coverage in Basic M+C Plans, By Percentage of Enrollment Distribution, 2002 and 2003

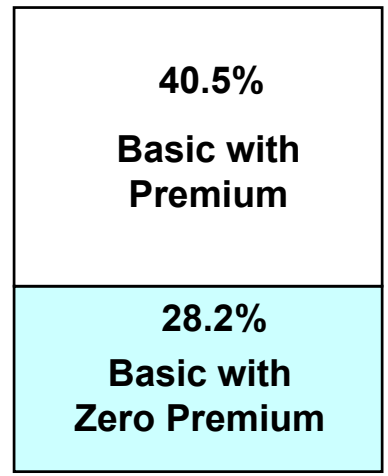


Medicare+Choice Enrollment Distribution by Availability of Drug Coverage, 1999, 2002 and 2003

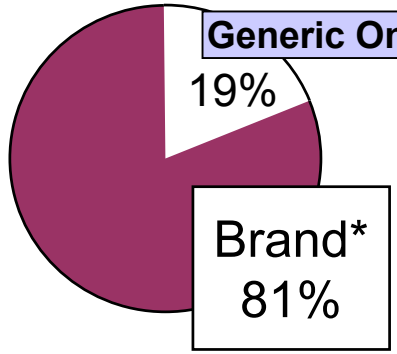


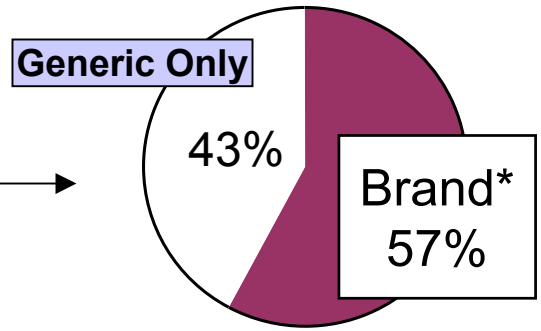
Enrollment Distribution of M+C CCP Brand-Name Drug Coverage by Type of Coverage, 2003

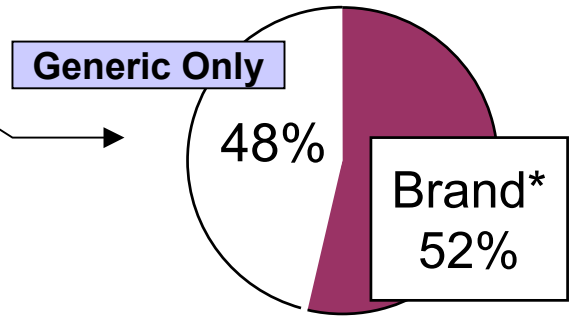




February 2003 Enrollment Distribution







- Enrollees Able to Obtain Drug Coverage Only as Optional Supplement for Additional Premium, or By Choosing Different Plan Offered by Their M+C Organization (Disribution ***IF ALL CHOOSE DRUG OPTION)***
- Enrollees of an M+C Organization in Which the Basic Plan Has a Premium and Includes Drug Coverage
- Enrollees of an M+C Organization in Which the Basic Plan Has No Premium and Includes Drug Coverage

*Brand and generic coverage.

Notes About the Analysis

The analyses of benefits and premiums are based on Medicare Compare information (available from medicare.gov as a downloadable data base), and information extracted from the Health Plan Management System, the system that Medicare+Choice (M+C) organizations use to file benefit and rate information with CMS. The rate filings (the adjusted community rate (ACR) proposals) for 2003 used for this analysis were the filings as of the end of January, 2003.

Most of the benefit and premium analyses are done on an enrollment-weighted or population-weighted basis. County-level enrollment is based on the county-level market penetration files (available at the CMS web site) or on similar files prepared for these analyses. Enrollees are included in the analysis only if they reside in a county that is part of the authorized service area of the M+C organization or demonstration plan.

Historical information is based on Medicare Compare data, and ACR submissions, from earlier years. County-specific information became available in Medicare Compare in 1999. In 1998, the first year in which Medicare Compare was made available by CMS, Medicare risk organizations (entities that became M+C coordinated care plans in 1999) continued to offer "flexible benefit" options that varied by county. Users of Medicare Compare were often referred to the health plan for additional information about what types of benefits and premiums were offered in different counties. Hence, 1999 was the first year in which detailed information on benefits was available for analyses that are enrollment- or population-weighted.

M+C enrollees enrolled in the plan through an employer-based or union-based retirement plan are likely to have more generous benefits than individual Medicare enrollees. In particular, the levels of drug coverage among M+C enrollees are likely to be understated in this analysis because of additional coverage that is available to some M+C enrollees.

The term “basic plan” refers to the least costly plan offered by an organization in a given county. If premiums are the same in two or more plans, the plan with the most generous drug benefit coverage is considered the basic plan. For this analysis, the net premium the beneficiary pays after any Part B premium waiver is used to determine which plan is a basic plan.